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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/820,198	04/06/2004	Ralph Mitchell	27811-002 UTIL	7416
30623	7590	12/02/2008	EXAMINER	
MINTZ, LEVIN, COHN, FERRIS, GLOVSKY AND POPEO, P.C. ONE FINANCIAL CENTER BOSTON, MA 02111				VYAS, ABHISHEK
ART UNIT		PAPER NUMBER		
3691				
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/820,198	MITCHELL, RALPH	
	Examiner	Art Unit	
	ABHISHEK VYAS	3691	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) Responsive to communication(s) filed on 22 July 2008.

2a) This action is **FINAL**. 2b) This action is non-final.

3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) Claim(s) 1-34 is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5) Claim(s) _____ is/are allowed.

6) Claim(s) 1-34 is/are rejected.

7) Claim(s) _____ is/are objected to.

8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a) All b) Some * c) None of:

1. Certified copies of the priority documents have been received.
2. Certified copies of the priority documents have been received in Application No. _____.
3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)	4) <input type="checkbox"/> Interview Summary (PTO-413)
2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)	Paper No(s)/Mail Date. _____ .
3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)	5) <input type="checkbox"/> Notice of Informal Patent Application
Paper No(s)/Mail Date _____ .	6) <input type="checkbox"/> Other: _____ .

DETAILED ACTION

Status of Claims

1. This action is in reply to the amendment filed on 07/22/2008.
2. Claims 1, 5 and 6 have been amended.
3. Claims 7-20 have been canceled.
4. Claims 21-34 have been newly added.
5. Claims 1-34 are currently pending and have been examined.
6. This action is FINAL.

Claim Rejections - 35 USC § 112

7. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

8. Claims 1-34 are rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

9. In particular, claim 1, recite in the preamble "a method of insuring military reserve component personnel". The claims recite: "collecting payments" and "providing desired compensatory income". It is unclear whether the steps of collecting payments and providing compensatory income are claimed as the novel feature as the steps pre-empt the operational steps of an insurance policy. Thus, it is unclear whether the claims seek to patent an insurance policy. The functional steps of collecting payments and paying compensations encompass the operational procedures of an insurance policy. Claim 5 is dependent on claim 1. Claim 5 recites the term "off active military duty". The term is relative and thus vague and indefinite. Does off active duty consist of active reservist not in the war zone? Active reservist's or servicemen also serve in non-combatative capacities. Are those also covered with compensatory income? Claims 2, 22 and 29 recite "personal factor" this is a relative term and thus vague and indefinite.
10. Claims 21, 28, 30, 32 recites "a method of compensating military reserve component personnel", however, it is unclear if the method is carried out with a machine or manually. Claim 27 recites "the insurance plan", however there is no antecedent basis for the limitation in claim 26 or 21.
11. The dependent claims are rejected on their dependency to the rejected independent claims.

Claim Rejections - 35 USC § 101

12. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.
13. Applicant's amendments in response to the statutory double patenting rejection are acknowledged and the statutory double patenting rejection is withdrawn.
14. 35 USC 101 requires that in order to be patentable the invention must be a "new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof" (emphasis added).

15. Claims 1-34 are rejected under 35 USC 101. Claims 1-34 are directed towards non-statutory subject matter.
16. Claims 1-34 recite a process comprising the steps of collecting, providing and receiving. Based on Supreme Court precedent, a proper process must be tied to another statutory class or transform underlying subject matter to a different state or thing (*Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)). Since neither of these requirements is met by the claim, the method is not considered a patent eligible process under 35 U.S.C. 101. To qualify as a statutory process, the claim should positively recite the other statutory class to which it is tied, for example by identifying the apparatus that accomplished the method steps or positively reciting the subject matter that is being transformed, for example by identifying the material that is being changed to a different state. Claims 1-34, at issue does not use an apparatus and does not describe process of manufacture or process for alteration of composition of matter, and since claim instead cover use of mental (or manual) processes to solve the step of determining financial product to purchase and purchasing amount for maximizing objective function on the basis of input data, and thus seek to patent use of human intelligence in and of itself.
17. The dependent claims are rejected for the same reason and by way of dependency on the independent claim.

Claim Rejections - 35 USC § 103

18. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:
 - (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

19. **Claims 1, 21, 28, 30 and 32** are rejected under 35 U.S.C. 103(a) as being unpatentable over Non Patent Literature Titled: *DoD reserve Chief Recommends suspending Mobilization Insurance* by Stephen Barrett (herein after referred to as NPL 1) in view of Mayers et al (herein after Mayers) United States Patent Application Publication No.: 2004/0103003 A1.

20. **As per claims 1, 21, 28, 30 and 32, NPL1 discloses the following limitations:**

- *collecting payments on behalf of a reservist, amounts of the payments being based upon civilian income of the reservist and desired compensatory income to be paid during at least times of active military duty of the reservist* (see NPL1: Barrett, page 2, paragraph 3, lines 1-4; paragraph 7, lines 1-3).

NPL1 Barrett does not specifically teach partial compensation, Mayers however, teaches the limitation as follows:

- *providing the desired compensatory income for the reservist during at least a portion of a first time period of active military duty of the reservist*(see NPL1: Barrett, page 2, paragraph 7, lines 1-3; paragraph 8, lines 1-2; page 1, paragraph 7, lines 2-3). *at least partially compensating for reduction of the reservist's income in response to receiving a request for compensatory income on behalf of the reservist* (see at least Mayers paragraphs 0012 and 0026

It would have been obvious to one of ordinary skill in the art to have modified the insurance compensation to a partial compensation based on the conditions and contingencies agreed to by the entities involved. One would be motivated to do so, so that the insurance firms can collect the appropriate insurance premiums and the entity insured can receive the compensation as desired based on a selection of options set forth during the time of setting up the policy. This phenomenon is well known for most insurance agreements and policies as taught by Mayers in paragraphs 0020-0026 (motivation). It is also noted that it is obvious for a provider to receive (collect) payments and reimburse, pay or compensate the customer when a claim is filed or when a condition is met that requires compensation (Mayers paragraphs 0028-0029, 0043, 044, 0055, 0056). Broadly interpreted, the recitation of the terms "reservist" and the circumstance of going on

a “first time period of active military duty” is considered as non-functional descriptive material. An insurance policy in function collects premiums, and compensates the client when a contingency (like being called to active duty) is met.

21. **Claims 2-3 and 22-23** are rejected under 35 U.S.C. 103(a) as being unpatentable over Barrett (NPL1) and Mayers as applied to claim 1 above and in further view of Hele et al (herein after Hele) United States Patent Application Publication No.: 2002/0120474 A1.

22. **As per claims 2-3, and 22-23**, Barrett discloses a mobilization insurance contract. Barrett does not specifically disclose the following limitations inherent to underwriting an insurance contract. Hele, however, teaches the limitations as follows:

- the payment amounts are further based on at least one personal factor associated with the reservist (see at least Hele paragraphs 0016, 0037 and 0052, 0079).
- the at least one personal factor is at least one of an age of the reservist, length of occupation of the reservist in the reservist's current civilian occupation, length of occupation of the reservist in the reservist's current military occupation, formal academic background of the reservist, marital status of the reservist, number of household dependents of the reservist, military pay grade of the reservist, number of years of military experience, number of years of civilian employment, level of military responsibility, whether and how many troops the reservist commands at the reservist's military occupation, and level of civilian-employment responsibility (see at least Hele paragraphs 0016, 0037, 0038, 0052, 0057, 0079).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have specifically included various risk or profile gauging indicators, factors and characteristics, well known in the actuarial and underwriting arts to obtain an accurate assessment of the individuals payment upon enactment of the contract (see Hele paragraph 0017-0018, 0038, 0041, 0058).

23. **Claims 4-5, and 24-27** are rejected under 35 U.S.C. 103(a) as being unpatentable over Barrett (NPL 1) and Mayers as applied to claim 1 and 21 above and in further view of in view of **NPL 4**:

Titled: *SUMMARY OF MAJOR CHANGES TO CHAPTER 55 DOD 7000.14-R, VOLUME 7A*

*MILITARY PAY POLICY AND PROCEDURES ACTIVE DUTY AND RESERVE PAY VOLUME
7A, Chapter 55, February 2000 (herein after referred to as **NPL4**)*

24. **As per claims 4-5 and 10-13**, Barrett discloses a mobilization insurance contract. Barrett does not specifically disclose the following limitations inherent to underwriting an insurance contract. NPL4, however, teaches the limitations as follows:

- providing the compensatory income is inhibited until at least one of a threshold cumulative total of payments is collected, a second threshold of number of payments is collected, and a third threshold of a designated time period during which payments have been collected elapses (see at least NPL4, page 5, subparagraph 550105 "Deductions" Items A-H)
- a portion of the compensatory income is provided during a second time period after the first time period, of the active military duty of the reservist, wherein the reservist is off active military duty during the second time period (see at least NPL4, page 3, subparagraph 550102 "Entitlement" Items A-B).
- a return of premium provision for returning a portion of the payments collected if at least one return condition is satisfied, the payment amounts further depending upon election of a return of premium option. (See at least NPL4, page 3, subparagraph 550105 F-H).
- the return condition is at least one that no requests for compensatory income are received, and that compensatory income provided under the plan is below a threshold level relative to a sum of payments collected under the insurance plan. (See at least NPL4, page 6, item A; subparagraph 550107 Items A-D).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the terms and conditions for successful execution of the policy. The conditions would prevent undue burden on the insurer and prevent people who don't pay premiums from receiving benefits (see NPL 1 page 2, paragraph 5 and 8)

25. **Claim 6** is rejected under 35 U.S.C. 103(a) as being unpatentable over Barrett (NPL 1) and Mayers as applied to claim 1 above and in further view of in view of **NPL 6**: Titled: Businesses

Hurt By Reservist Call-Ups May Apply For SBA Economic Injury Disaster Loans U.S. Newswire.

Washington: Aug 23, 2001. pg. 1

- the compensatory income includes a desired replacement income paid or to be paid to at least one of a person and a business to replace the reservist at the reservist's civilian occupation while the reservist is away on active military duty, and wherein the payment amounts further depend upon the desired replacement income (NPL6 page 1, Abstract line 4).

It would have been obvious to one of ordinary skill in the art at the time of the invention to include protection and reconciliation for economic injury caused to institutions of employment of members of the armed forces. One would be motivated to do so to prevent severe financial losses (see at least NPL6 Page 1; Section: FULL TEXT; lines 1-11).

26. **Claims 29, 31, 33 and 34** are rejected under 35 U.S.C. 103(a) as being unpatentable over Barrett (NPL 1) and Mayers as applied to claim 28 and 32 above and in further view of in view of **NPL 2:** Titled: Unsnarling a reserve Insurance Snafu (herein after referred to as **NPL2**), May 08 1997.

- the amounts of the payments are also based upon civilian income of the reservist (see at least NPL 2 page 1, paragraph 3, page 2, paragraph 3 and 4)
- the amounts of payments are based on at least one of a number of reservists employed in the business and the likelihood of said reservist(s) being called to serve on active military duty (see at least NPL 2 page 2, paragraph 3 and 4)
- the desired compensation is at least partially dependent on at least one of a number of persons mobilized, length of expected mobilization(s), and estimated cost due to the mobilization(s) based upon prior profitability of the business (see at least NPL 2 page 1, paragraph 3, page 2, paragraph 4, bullets 1 and 2; paragraph 6, bullet 2 and paragraph 7, page 3, paragraph 1).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have included as one of the factors into the premium estimations the level of required compensation to match income levels prior to incorporation into active duty status (see NPL 2 page 1, paragraph 3, and item 1).

Response to Arguments

26. Applicant's arguments with respect to claims 1-34 have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Abhishek Vyas whose telephone number is 571-270-1836. The examiner can normally be reached on 7:30am-5:00pm EST Mon-Thur, ALT Friday OFF.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on 571-272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Art Unit: 3691

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Abhishek Vyas/

Examiner, Art Unit 3691

/Lalita M Hamilton/

Primary Examiner, Art Unit 3691